



10/19/05

MESSAGES FROM THE HOUSE

SB 298 (Kuipers)

SB 521 (Bishop)

JOBS PACKAGE

SB 298 would reduce the fees paid by an in-state business for its initial organizational fee and for increasing its authorized shares and the fees paid by an out-of-state corporation when it is authorized to transact business in the state and when it increases the number of authorized shares attributable to Michigan.

- Kuipers 1 (S-2) was adopted [no RC].
- The Senate concurred with the House changes to SB 298, as amended by the Senate [RC 491: 34 yes, 4 no (Cassis, Gilbert, Sanborn, Toy)]. Immediate Effect was given to the bill.

SB 521 would allow an individual to deduct a realized capital gain as an equity investment in a qualified business or community based seed capital company under. Specifically, the bill would allow an investor to rollover a capital gain into an "angel investment" without paying a tax on the gain.

- Bishop 1 (S-2) was adopted [no RC].
- The Senate concurred with the House changes to SB 521, as amended by the Senate [RC 493: 34 yes, 4 no (Cassis, Gilbert, Sanborn, Toy)]. Immediate Effect was given to the bill.

SB 359 (Garcia)

SB 533 (Garcia)

SECURITIZATION

SB 359 would require the Strategic Fund to establish a Michigan Life Science Pipeline to promote the development of businesses engaged in providing goods and services related to the development and commercialization of life sciences. The "Pipeline" would begin operations no later than June 1, 2006.

- Garcia 1 (S-2) was adopted [no RC].
- The Senate concurred with the House changes to SB 359, as amended by the Senate [RC 492: 34 yes, 4 no (Cassis, Gilbert, Sanborn, Toy)]. Immediate Effect was given to the bill.

SB 533 would require money in a new Jobs for Michigan Investment Fund to be spent for basic research, applied research, university technology transfers, and commercialization of products, processes, and services to

encourage the development of competitive edge technologies with a high probability of creating jobs in Michigan.

- Garcia 1 (S-6) was adopted [no RC].
- Garcia 1A (14 amends) was adopted [no RC].
- Garcia 1B (1 amend) was adopted [no RC].
- The Senate concurred with the House changes to SB 533, as amended by the Senate [RC 494: 34 yes, 4 no (Cassis, Gilbert, Sanborn, Toy)]. Immediate Effect was given to the bill.

FINAL PASSAGE

SB 662 (Sanborn)

SB 662 would require the state to use competitive solicitation for all purchases unless it was for, among other things: 1) Procurement of goods or services was necessary for the imminent protection of public health or safety; 2) Procurement of goods or services was for emergency repair or construction caused by unforeseen circumstances when the repair or construction was necessary to protect life or property.

- *Committee 1 (S-2) was adopted. (10/18)*
- *SB 662 was moved to 3rd Reading.*
- **SB 662 passed [RC 486: 37 yes, 1 no (Brown)].**

HB 5047 (Huizenga)

HB 5048 (Huizenga)

HB 5109 (Baxter)

SECURITIZATION

HB 5047 would allocate money from the new Jobs for Michigan Investment Fund for basic research, applied research, university technology transfers, and commercialization of products, processes, and services to encourage the development of competitive edge technologies with a high probability of creating jobs in Michigan. A Strategic Economic Investment Board would direct the Fund, which would be required to 1) establish a competitive process to award grants and make loans for competitive edge technologies; and 2) contract with independent peer review experts to assist the board with its responsibilities.

- *Committee 1 (S-2) was defeated. (10/18)*
- *Garcia 2 (S-3) was adopted.*
- *HB 5047 was moved to 3rd Reading.*
- **Van Woerkom 1 (1 amend) was adopted [no RC]. \$10 million for agricultural development.**
- **Garcia 2 (40 amends) was adopted [no RC].**
- **Garcia 3 (1 amend) was adopted [no RC]. This corrected one of the 40 amendments in Garcia 2.**
- **HB 5047 passed with IE [RC 495: yes, no (Cassis, Gilbert, Sanborn, Toy)]. Toy made a “no vote” explanation: I oppose using \$1 billion in taxpayer dollars to allow political appointees to invest in high-risk investments.**

HB 5048 would provide for the sale of three-fourths of the state's future tobacco settlement revenue. The amount of proceeds available from the sale of future tobacco settlement revenue will be depend on the prevailing bond market interest rate for this type of security at the time of sale. If such interest rates rise, the gross proceeds will be reduced.

- *Committee 1 (S-1) was defeated. (10/18)*
- *Garcia 2 (S-2) was adopted.*
- *Toy 2A (2 amends) was defeated. This would have required voter approval. EMERSON: We can't afford to wait a year and a half to promote economic development.*
- *HB 5048 was moved to 3rd Reading.*
- *Garcia 1 (3 amends) was adopted [no RC].*
- *George 2 was withdrawn.*
- *HB 5048 passed with IE [RC 490: 34 yes, 4 no (Cassis, Gilbert, Sanborn, Toy)].*

HB 5109 would create a new fund, the 21st Century Jobs Trust Fund, which would consist only of net proceeds from the sale of tobacco settlement revenues to the Tobacco Settlement Finance Authority, interest and earnings from trust fund investments, and donations from any source. The trust fund would be created in the Department of Treasury; the state treasurer would direct investments. The Tobacco Settlement Finance Authority is the authority that would be created by HB 5048, which authorizes the sale of a portion of future tobacco settlement receipts. Taken alone, the bill would have no fiscal impact on either the State of Michigan or its local units of government. The bill is related to other legislation that would authorize the sale of a portion of future tobacco settlement receipts.

- *Committee 1 (S-1) was defeated. (10/18)*
- *Garcia 2 (S-2) was adopted.*
- *HB 5109 was moved to 3rd Reading.*
- *HB 5109 passed with IE [RC 489: 34 yes, 4 no (Cassis, Gilbert, Sanborn, Toy)].*

HB 5215 (Hildenbrand)

HB 5216 (D. Law)

JOBS PACKAGE

HB 5215 would allow a taxpayer who had been issued a tax voucher certificate to use it to pay an SBT liability for a tax year beginning after December 31, 2008. The bill would limit the total amount of certificates that could be approved to an amount sufficient to allow the Michigan Early Stage Investment Corporation to raise \$450 million. The total amount of all tax voucher certificates issue could not exceed \$600 million, and no new certificate would be approved after December 31, 2015. Further, the amount of certificates approved for use in any tax year could not exceed 25 percent of the total amount of all tax voucher certificates approved the Department of Treasury.

- *Committee 1 (S-1) was defeated. (10/18)*
- *Garcia 2 (S-2) was adopted.*
- *HB 5215 was moved to 3rd Reading.*
- *HB 5215 passed with IE [RC 487: 34 yes, 4 no (Cassis, Gilbert, Sanborn, Toy)].*

HB 5216 would allow a taxpayer to use a tax voucher certificate to pay an income tax liability for a tax year beginning after December 31, 2008.

- *Committee 1 (S-1) was defeated. (10/18)*
- *Garcia 2 (S-2) was adopted.*
- *HB 5216 was moved to 3rd Reading.*
- *HB 5216 passed with IE [RC 488: 34 yes, 4 no (Cassis, Gilbert, Sanborn, Toy)].*

THIRD READING

SB 308 (OLSHOVE)

SB 308 would specify that a parent or guardian would be prohibited from dissemination of sexually-explicit matter to his or her child for the sexual gratification of the parent or guardian. Current law provides an exception from criminal penalties for the dissemination of sexually-explicit matter to a minor by a parent or guardian who disseminates such matter to his or her child or ward.

- Committee 1 (S-1) was adopted.
- SB 308 was moved to 3rd Reading.

SB 736 (Goschka)

SB 736 would provide that if a person charged with a violation of state law or a municipal ordinance, who is being housed in the county jail, receives medical care or treatment, and that individual is covered by a health policy, certificate of insurance, or another source for the payment of medical expenses, the health care provider first would have to seek reimbursement of medical expenses (subject to the terms and conditions of the health care policy or Medicaid contract) from the appropriate insurance company, health care corporation, or other source before submitting those expenses to the county.

- Committee 1 (S-1) was defeated.
- Goschka 2 (S-2) was adopted.
- SB 736 was moved to 3rd Reading.

SB 789 (Birkholz)

SB 790 (Van Woerkom)

SB 799 (BRATER)

SB 800 (BASHAM)

HB 4572 (Stakoe)

HB 4573 (Nitz)

SBs 789-800 and HBs 4572-73 would provide \$40 million in grants to local communities from the Strategic Water Quality Initiatives Fund. A local unit of government would be eligible to receive a grant up to \$1 million for project planning services if it proceeded with loan funding under either the State Water Pollution Control Revolving Fund or the Strategic Water Quality Initiatives Fund. In aggregate, up to \$40 million would be available for local units of government as grant funding. This package would require the DEQ to establish a program that provided grants to governmental units to cover the costs of design, engineering, and professional consulting when developing a project plan in applying for loan assistance from the State Water Pollution Control Revolving Fund.

Support: Michigan Association of Counties, Michigan Municipal League, Michigan Townships Association, DEQ.

SB 789 would establish a program to provide water quality grants to governmental units to cover the cost of developing a project plan in applying for a loan from the State Water Pollution Control Revolving Fund.

- SB 789 was moved to 3rd Reading. No amendments.

SB 790 would define “grant program” to mean the Strategic Water Quality Initiatives Grant Program that would be established by HB 4572.

- **SB 790 was moved to 3rd Reading. No amendments.**

SB 799 would allow actions undertaken in the planning of sewage treatment works, stormwater treatment, or nonpoint source projects, and project planning services to be eligible for grants.

- **SB 799 was moved to 3rd Reading. No amendments.**

SB 800 would allow a governmental unit and the Michigan Municipal Bond Authority to enter into grant agreements under a Strategic Water Quality Initiatives Grant Program

- **SB 800 was moved to 3rd Reading. No amendments.**

HB 4572 would create the Wastewater Application Grant Fund within the state treasury. Money could be expended from the fund only for grants to governmental units to cover the total cost of engineering and professional consulting when developing the project plan for applying for loan assistance from the State (Water Pollution Control) Revolving Fund (SRF). Grant funds could not be used for public notice activities, general local government administration costs, or costs associated with educating the public about the proposed project. A governmental unit could not receive more than an accumulated total of \$3 million in grants to use for developing the project plan.

- **Committee 1 (S-5) was adopted.**
- **HB 4572 was moved to 3rd Reading.**

HB 4573 would redistribute the allocations from the Great Lakes Water Quality Bond Fund so that 80 percent (reduced from the current 90 percent) of the bond revenue would be deposited in the State Revolving Fund, 10 percent in the Strategic Water Quality Initiatives Fund, and the remaining 10 percent in a new Wastewater Application Grant Fund that would be created under HB 4572.

- **Committee 1 (S-3) was adopted.**
- **HB 4573 was moved to 3rd Reading.**

HB 4133 (Mortimer)

HB 4133 would allow civil process to be served or executed on a Sunday. Whenever a civil complaint (e.g., an action to begin a divorce, a lawsuit to recover damages, etc.) is filed in court, a copy must be delivered in person within a specified time frame to the person or persons named in the action. This is referred to as service of process. In 2004, over 583,000 new civil cases were filed in district courts in Michigan. Often, only the home address of the person is known to the process server and many people are home on Saturdays and Sundays whereas they may be at work on other days of the week. A significant amount of people are served on Saturdays; adding Sundays is therefore expected to help expedite the process, reduce backlogs, and increase the efficiency of courts across the state.

- **Cropsey 1 (S-1) was adopted.**
- **HB 4133 was moved to 3rd Reading.**

HB 4997 (HUNTER)

HB 4998 (CLEMENTE)

HB 4999 (Hune)**HB 5000 (Green)**

HBs 4997-5000 would eliminate the requirement for a state-chartered financial institution to file a duplicate suspicious activity report with the Department of State Police. Supporters say the bills would eliminate the unnecessary duplicate filing of reports with the Department of State Police. The Department of State Police currently has access to the federal suspicious activity report database, which makes the filing requirements redundant.

- HB 4997 was moved to 3rd Reading. No amendments.
- HB 4998 was moved to 3rd Reading. No amendments.
- HB 4999 was moved to 3rd Reading. No amendments.
- HB 5000 was moved to 3rd Reading. No amendments.

HB 5110 (Kooiman)

HB 5110 would provide consistent licensing standards and oversight for all school-age child care programs, to modify programs which are exempt from licensing requirements, and to create a new status of "exemption from inspection and on-site visits" for certain licensed before and after school programs.

Support: DHS, Department of Education, Fight Crime: Invest in Kids Michigan, Michigan Association for the Education of Young Children, Michigan 4C Association, Mayor's Time, United Way of Genesee County, Bridges to the Future, Flint, Grand Rapids Office of Children, Youth and Families.

- HB 5110 was moved to 3rd Reading. No amendments.